

Forest/Wood Products Industry Profile

Background

With over 21 million acres of forestland covering over 48 percent of the land in Washington, the forest/wood products sector in Washington State continues to be a dominant force in the state's economy. Although there has been some contraction in this sector during the past decade in response to restrictive environmental regulations, it is a considerable revenue generator for the state. In 2000, this sector grossed nearly \$6.4 billion in revenue. This is a 2.6% percent increase from 1990.

The forest products sector is also a large employer. In 2000, this sector employed 26,085 in Washington state. While this is a 13% decline from 1990, the growth in revenue during the same time of employment retraction in the industry suggests that the industry has improved its productivity.

A large number of wood products primary manufacturers are located in the Olympic Peninsula area. However, significant clusters also exist in other parts of the state, including many secondary manufacturers located in the Puget Sound region.

Although the industry still faces some challenges, in the upcoming decades, there will be significant increases in the supply of forest products. This is a result of current intensive planting and forest management. This points to opportunities for growth for this sector in the long-term future. In addition, there are several significant institutions, including industry associations and a specialized research center, that are focused on international trade opportunities that support companies in the forest products sector. These include the Evergreen Building Products Association and the Center for International Trade in Forest Products (CINTRAFOR), to name just a few.

(Source: Northwest Policy Center Cluster Study, CINTRAFOR).

Exports

In 2001, Washington exported approximately \$843 million in wood and articles of wood and secondary wood products. Japan and Canada are the largest existing overseas markets for the export of wood products. However, China is an emerging market and Korea and Taiwan are important markets as well.

(Source: MISER statistics)



Source: Massachusetts Institute for Social and Economic Research (HS Code)

Leading Companies in the Sector

- Weyerhaeuser
- Potlatch Corporation
- Plum Creek Timber Company
- Simpson Timber
- Pope Resources, Inc.
- Lindal Cedar Homes
- Longview Fiber
- Rayonier
- Port Blakely Tree Farms
- McFarland Cascade Holdings, Inc.

(Source: Puget Sound Book of Lists 2002, Washington CEO)